

KYOWA/ ~~CNC~~SSL Pacific -
AsiaSlot Charter
Agreement

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KYOWA/ ~~CNC~~SSL Pacific -
Asia SLOT CHARTER
AGREEMENT

FMC AGREEMENT NO. 201272

A Space Charter Agreement

Expiration Date: None

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this agreement is the Kyowa Shipping Company (Kyowa) / ~~China-
Navigation Company~~Swire Shipping Pte. Ltd. (~~CNC~~SSL) Pacific - Asia, Slot Charter Agreement.

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to authorize KYOWA to charter space to ~~CNC~~SSL on certain vessels KYOWA operates and to authorize ~~CNC~~SSL to charter space to KYOWA on certain vessels ~~CNC~~SSL operates (as hereinafter defined) and to authorize the Parties to enter into cooperative working arrangements with respect to the chartering and purchase of such space.

ARTICLE 3: PARTIES TO THE AGREEMENT

The Parties to the Agreement (referred to herein as "Party" or "Parties") are:

- ~~THE CHINA NAVIGATION COMPANY PTE LTD~~SWIRE SHIPPING PTE. LTD. of 300 Beach Road, #27-01, The Concourse, Singapore 199555 (referred to as "~~CNC~~SSL"); and
- KYOWA SHIPPING COMPANY, LTD. of Hibiya Building 4th floor, 1 - 1, Shimbashi 1 - Chome, Minato - Ku, Tokyo 105-0004, Japan (referred to as "Kyowa").

KYOWA and ~~CNC~~SSL are herein referred to individually as a "Party" and jointly as "Parties".

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

4 .1 The geographic scope of this Agreement shall cover the trade between South

Korea, Japan, Taiwan, China, Solomon Islands, Vanuatu, New Caledonia, Fiji, Tonga,
Western Samoa, French Polynesia, Kiribati, and Marshall Islands on the one hand and
American Samoa on the other hand.

ARTICLE 5: AGREEMENT AUTHORITY

5.1 (a) KYOWA shall charter to ~~CNCeSSL~~, and ~~CNCeSSL~~ shall charter from KYOWA, space on a used or not used basis, on each sailing of KYOWA's South Pacific Service or ~~CNCeSSL~~ Pacific North Asia Service based on the pro forma schedule agreed at the start of the Agreement. KYOWA will charter 300 teus to ~~CNCeSSL~~ per voyage, and ~~CNCeSSL~~ will charter 150 teus to KYOWA per voyage, each on a used/not used basis. The amount of teus chartered by each party may be adjusted up or down by up to 25%. Such space shall be made available at such slot charter hire and on such other terms and conditions as the Parties may agree from time to time. The Parties are authorized to discuss and agree on the terms and conditions applicable to the share and sale and purchase of space, including but not limited to the amount of slot charter hire. Additional slots may be chartered to ~~CNCeSSL~~ by KYOWA or KYOWA by ~~CNCeSSL~~ on an ad hoc basis, subject to space availability.

(b) For purposes of this Agreement, a 20-foot container shall be considered as 1 TEU, 40-foot container and 40HC as 2 TEUs.

(c) The Parties are authorized to discuss and agree on matters relating to terminal operators and stevedores, and to reach agreement on other issues relating to the loading and/ or discharge of cargo.

(d) The Parties may discuss and agree upon the chartering, hiring,

establishment, use, scheduling and coordination of transshipment, barge and feeder services in the Trade, in conjunction with linehaul vessel operations hereunder.

5.2 KYOWA or ~~CNC~~SSL shall be entitled to use its slot allocation without any geographical restrictions regarding the origin or destination of the cargo, subject to such operational restrictions as the Parties may agree on from time to time.

5.3 KYOWA nor ~~CNC~~SSL shall assign, charter, or sub-charter any slots that ~~CNC~~SSL or KYOWA has chartered to it under this Agreement without the prior consent; provided, however, that KYOWA or ~~CNC~~SSL may sub-charter space to its fully owned subsidiaries and affiliates.

5.4 The Parties are authorized to discuss and agree on such general administrative matters and other terms and conditions regarding the implementation of this Agreement as may be necessary or convenient from time to time, including but not limited to performance procedures and penalties, weight restrictions, stowage planning, record-keeping, responsibility for loss of/damage to cargo and/or containers, insurance, force majeure, the handling and resolution of claims and other liabilities, indemnification, documentation and bills of lading, and general average and salvage.

ARTICLE 6: AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY

The following are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

- (i) Any authorized officer of either Party; and
- (ii) Legal counsel for either Party.

ARTICLE 7: VOTING

Except as otherwise provided herein, all actions taken pursuant to this Agreement shall be by mutual agreement of the Parties.

ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT

8.1 This Agreement shall enter into effect on the date it becomes effective under the U.S. Shipping Act of 1984 (the "Commencement Date"). The Agreement shall remain effective indefinitely following the Commencement Date unless terminated by either Party by providing a minimum 180 day written notice of termination to the other Party.

Notwithstanding the foregoing, this Agreement (a) may be terminated at any time by the mutual written agreement of the Parties and (b) will terminate automatically upon the expiry or termination of either ~~CNC~~SSL's Pacific North Asia Service or KYOWA's South Pacific Island Service, in which case the terminating party will inform ~~CNC~~SSL / KYOWA about the expiry or termination at least 180 days in advance of said termination. Unless otherwise agreed, this Agreement will remain in force until the completion of all the voyages in progress at the time such notice to terminate would otherwise have taken effect.

8.2 Notwithstanding Article 8.1 above, this Agreement may be terminated pursuant to the following provisions:

(a) If at any time during the term of this Agreement there shall be a change in control of a Party, then the other Party may, within three (3) months of becoming aware of such change, give not less than three (3) months' notices of its intention to terminate this Agreement, which notice shall be given in writing.

partnership for any purpose or extent. For purposes of this Agreement and any matters or things done or not done under or in connection herewith, neither Party shall be deemed the agent of the other.

ARTICLE 12: NOTICES

All notices required to be given in writing, unless otherwise specifically agreed, shall be sent by registered mail or courier service to the addresses listed in Article 3.

A copy of notices sent to ~~CNC~~SSL should be provided to the following addresses:

SWIRE SHIPPING PTE. LTD. ~~**THE CHINA NAVIGATION COMPANY PTE LTD**~~ of
300 Beach Road, #27-01 The

Concourse, Singapore 199555 (referred to as "~~CNC~~SSL"); and

A copy of notices sent to KYOWA should be provided to the following addresses:

KYOWA SHIPPING COMPANY, LTD. of Hibiya Building 4th floor, 1 - 1, Shimbashi 1 -
Chome, Minato - Ku, Tokyo 105-0004, Japan (referred to as "Kyowa").

ARTICLE 13: SEVERABILITY

Should any term or provision of this Agreement be held invalid, illegal or unenforceable, the remainder of the Agreement, and the application of such term or provisions to persons or circumstances other than those as to which it is invalid, illegal or unenforceable, shall not be affected thereby, and each term or provision of this Agreement shall be valid, legal and enforceable to the full extent permitted by law.

ARTICLE 14: AMENDMENT

Any modification or amendment of this Agreement must be in writing and signed by both Parties and may not be implemented until filed with the FMC and effective under the Shipping Act of 1984, as amended.